



Illinois Department of Revenue
Schedule UB/INS
Attach to your Form IL-1120.

**Tax for a Unitary Business
Group with Foreign
Insurer Members**

Year ending
Month _____ Year _____
IL Attachment No. 7

Name as shown on the tax return of the member filing the Schedule UB _____


Federal employer identification number (FEIN) _____

Note → You must complete Steps 1 through 7 of your Form IL-1120 and all steps of your Schedule UB, Combined Apportionment for Unitary Business Groups before completing this schedule.

Step 1: Figure your foreign insurer member's tentative tax

	A	B	C
	FEIN	FEIN	FEIN
1 Write your combined business income (loss) from Form IL-1120, Line 27.	1 .00	.00	.00
2 Compute the foreign insurer member's apportionment factor.			
a Write the foreign insurer member's Illinois premiums net of eliminations. Write the total in this space: _____	2a .00	.00	.00
b Write the total everywhere premiums from Form IL-1120, Line 28.	2b .00	.00	.00
c Divide Line 2a by Line 2b. Carry to six decimal places. This is the foreign insurer member's apportionment factor.	2c .	.	.
3 Multiply Line 1 by Line 2c. This is the foreign insurer member's business income (loss) apportioned to Illinois.	3 .00	.00	.00
4 Write the foreign insurer member's nonbusiness income (loss) allocable to IL.	4 .00	.00	.00
5 Write the foreign insurer member's non-unitary partnership business income (loss) apportioned to Illinois.	5 .00	.00	.00
6 Add Lines 3 through 5. This is the foreign insurer member's base income or loss allocable to Illinois.	6 .00	.00	.00
7 Write the unitary group's base income or loss allocable to Illinois from your Form IL-1120, Line 34.	7 .00	.00	.00
8 Divide Line 6 by Line 7. Carry to six decimal places. This is the foreign insurer member's share of Illinois base income or loss allocable to Illinois. If negative, write "0."	8 .	.	.
9 Write the Illinois net loss deduction from your Form IL-1120, Line 38.	9 .00	.00	.00
10 Multiply Line 9 by Line 8. This is the foreign ins. member's share of the NLD.	10 .00	.00	.00
11 Subtract Line 10 from Line 6. This is the foreign insurer member's net income or loss.	11 .00	.00	.00
12 Multiply Line 11 by 2.5% (.025). This is the foreign insurer member's tentative replacement tax.	12 .00	.00	.00
13 Multiply Line 11 by 7.0% (.07). This is the foreign insurer member's tentative income tax.	13 .00	.00	.00
14 Write the recapture of investment credits from your Form IL-1120, Line 46.	14 .00	.00	.00
15 Multiply Line 14 by Line 8. This is the foreign ins. member's share of recapture.	15 .00	.00	.00
16 Add Lines 13 and 15. This is the tentative income tax plus recapture.	16 .00	.00	.00
17 Write the Schedule 1299-D credits from your Form IL-1120, Line 48.	17 .00	.00	.00
18 Multiply Line 17 by Line 8. This is the foreign insurer member's share of Schedule 1299-D credits.	18 .00	.00	.00
19 Subtract Line 18 from Line 16 (cannot be less than zero.) This is the foreign insurer member's tentative net income tax.	19 .00	.00	.00
20 Add Lines 12 and 19. This is the foreign insurer member's tentative total net tax.	20 .00	.00	.00

Step 2: Figure the tax imposed by the foreign insurer member's state or country of domicile (See instructions.)

	A	B	C
	FEIN	FEIN	FEIN
21 Write the foreign ins. member's state or country of domicile. State or country:	21		
22 Write the base income (loss) from your Form IL-1120, Line 23.	22 .00	.00	.00
23 Write the foreign insurer member's net income from Line 11.	23 .00	.00	.00
24 Multiply Line 22 by Line 8. This is the foreign insurer member's share of base income (loss).	24 .00	.00	.00
25 Figure the pro forma tax imposed by the foreign insurer member's state or country of domicile, using the income shown on Lines 22 and 23. If the state or country of domicile does not impose an income tax on insurance companies, check the box and write zero on this line. 	25 <input type="checkbox"/> .00	<input type="checkbox"/> .00	<input type="checkbox"/> .00

Step 3: Figure your foreign insurer member's income tax reduction limit

26 Write the foreign insurer member's net premiums taxable under Section 409 of the Illinois Insurance Code and included in your Form IL-1120, Step 4, Line 29.	26 .00	.00	.00
27 Multiply Line 26 by 1.75% (.0175). This is the total tax reduction limit.	27 .00	.00	.00
28 Write the following amounts deducted when you computed this year's federal taxable income for the foreign insurer members:			
a The privilege tax imposed under Section 409 of the Illinois Insurance Code. Do not include retaliatory tax.	28a .00	.00	.00
b The fire insurance company tax imposed under Section 12 of the Fire Investigation Act.	28b .00	.00	.00
c Any fire department tax imposed under Section 11-10-1 of the Illinois Municipal Code.	28c .00	.00	.00
29 Add Lines 28a through 28c.	29 .00	.00	.00
30 Subtract Line 29 from Line 27 (cannot be less than zero). This is the 1.75 percent income tax reduction limit.	30 .00	.00	.00

Step 4: Figure your foreign insurer member's tax

31 Write the foreign insurer member's pro forma tax from Line 25.	31 .00	.00	.00
32 Write the foreign insurer member's 1.75 percent income tax reduction limit from Line 30.	32 .00	.00	.00
33 Write the greater of Line 31 or Line 32.	33 .00	.00	.00
34 Write the foreign insurer member's tentative replacement tax from Line 12.	34 .00	.00	.00
35 Write the lesser of Line 33 or Line 34. This is the foreign insurer member's replacement tax. Write the total in this space:	35 .00	.00	.00
36 If Line 33 is greater than Line 35, subtract Line 35 from Line 33. Otherwise, write "0." This is the maximum net income tax after applying credits.	36 .00	.00	.00
37 Write the foreign insurer member's tentative net income tax from Line 19.	37 .00	.00	.00
38 Write the lesser of Line 36 or Line 37. This is the net income tax after applying credits. Write the total in this space:	38 .00	.00	.00

Write the total from Line 38 in this space: _____ 38 _____ .00 _____ .00 _____ .00

40 Add Lines 38 and 39. This is the foreign insurer member's income tax before applying credits. **Write the total in this space:** _____ **40** _____ .00 _____ .00 _____ .00

41	Write the business income (loss) of the unitary business group from Form IL-1120, Line 27.	41	_____	.00
42	Figure the apportionment formula.			
a	Write the total Illinois premiums from Form IL-1120, Line 29.	42a	_____	.00
b	Write the foreign insurer members' total premiums from the total line of Line 2a.	42b	_____	.00
43	Subtract Line 42b from Line 42a. This is the domestic members' total Illinois premiums.	43	_____	.00
44	Write the everywhere premiums from Form IL-1120, Line 28.	44	_____	.00
45	Divide Line 43 by Line 44. Carry to six decimal places. This is the domestic members' apportionment factor.	45	____.	_____
46	Multiply Line 41 by Line 45. This is the domestic members' business income (loss) apportioned to Illinois.	46	_____	.00
47	Write the domestic members' nonbusiness income (loss) allocable to Illinois.	47	_____	.00
48	Write the domestic members' non-unitary partnership business income (loss) apportioned to Illinois.	48	_____	.00
49	Add Lines 46 through 48. This is the domestic members' base income or loss allocable to Illinois.	49	_____	.00
50	Write the unitary group's base income or loss allocable to Illinois from your Form IL-1120, Line 34.	50	_____	.00
51	Divide Line 49 by Line 50. Carry to six decimal places. This is the domestic members' share of Illinois base income or loss. If negative, write "0."	51	____.	_____
52	Write the Illinois net loss deduction from your Form IL-1120, Line 38.	52	_____	.00
53	Multiply Line 52 by Line 51. This is the domestic members' share of the Illinois net loss deduction.	53	_____	.00
54	Subtract Line 53 from Line 49. This is the domestic members' net income.	54	_____	.00

55 Multiply Line 54 by 2.5% (.025). This is the domestic members' replacement tax.	55	<u> </u>	.00
56 Write the foreign insurer members' total replacement tax from the total line of Line 35.	56	<u> </u>	.00
57 Add Lines 55 and 56.	57	<u> </u>	.00
57a Write the amount from your Form IL-1120, Step 6, Line 44.	57a	<u> </u>	.00
57b Subtract Line 57 from Line 57a. This is your unitary group's replacement tax reduction. Write this amount on your Form IL-1120, Step 8, Line 50a.	57b	<u> </u>	.00
58 Multiply Line 54 by 7% (.07). This is the domestic members' income tax.	58	<u> </u>	.00
59 Write the recapture of investment credits from your Form IL-1120, Line 46.	59	<u> </u>	.00
60 Multiply Line 59 by Line 51. This is the domestic members' share of recapture.	60	<u> </u>	.00
61 Add Lines 58 and 60. This is the total domestic members' tentative income tax plus recapture.	61	<u> </u>	.00
62 Write the Schedule 1299-D credits from your Form IL-1120, Line 48.	62	<u> </u>	.00
63 Multiply Line 62 by Line 51. This is the domestic members' share of Schedule 1299-D credits.	63	<u> </u>	.00
64 Subtract Line 63 from Line 61 (cannot be less than zero). This is the domestic members' net income tax.	64	<u> </u>	.00
65 Write the foreign insurer members' total income tax before credits from the total line of Line 40.	65	<u> </u>	.00
66 Write the foreign insurer members' total share of credits from the total line of Line 39.	66	<u> </u>	.00
67 Subtract Line 66 from Line 65. This is the foreign insurer members' total net income tax.	67	<u> </u>	.00
68 Add Lines 64 and 67.	68	<u> </u>	.00
68a Write the amount from your Form IL-1120, Step 7, Line 49.	68a	<u> </u>	.00
68b Subtract Line 68 from Line 68a. This is your unitary group's income tax reduction. Write this amount on your Form IL-1120, Step 8, Line 51a.	68b	<u> </u>	.00

Schedule UB/INS Instructions

General Information

What is the purpose of Schedule UB/INS?

The purpose of Schedule UB/INS, Tax for a Unitary Business Group with Foreign Insurer Members, is to allow your foreign insurer members to possibly reduce the unitary group's Illinois income and replacement tax liability.

Effective for tax years ending on or after December 31, 1999, if a member of your unitary group is a foreign insurer, whose state or country of domicile imposes a retaliatory tax on insurers domiciled in Illinois, you should complete this schedule to determine if it would reduce your unitary group's tax liability. The rates are reduced to the point that the total Illinois tax imposed equals the tax the state or country of domicile would impose on the amount of your foreign insurer members' Illinois net income.

Note This reduction in rates does not apply to an insurer that is primarily a reinsurer. If 50 percent or more of a foreign member's total insurance premiums for the tax year are from reinsurance, treat that member as a domestic member on this schedule.

The reduction in tax rates cannot reduce the total of your foreign insurer members' income and replacement taxes, privilege tax, fire insurance taxes, and fire department taxes below 1.75 percent of your foreign insurer members' premiums subject to privilege tax. The rate reduction is applied against income tax first. Once your group's income tax is reduced to zero, the rate reduction is applied against your group's replacement tax.

What forms must I use?

In general, you must obtain and use forms prescribed by the Illinois Department of Revenue. Separate statements not on forms provided or approved by the department will not be accepted and you will be asked for appropriate documentation. **Failure to comply with this requirement may result in failure to file penalties, delay the processing of your return or generating any refund.** Additionally, failure to submit appropriate documentation when requested may result in a referral to our Audit Bureau for compliance action.

What if I need additional assistance?

If you need additional assistance,

- visit our website at tax.illinois.gov;
- write to us at **P.O. Box 19044, Springfield, Illinois 62794-9044**;
- call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**; or
- call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

Specific Instructions

Note Before you can complete Schedule UB/INS, you must first complete

- Steps 1 through 7 of your Form IL-1120, Corporation and Replacement Tax Return, and
- All steps of your Schedule UB, Combined Apportionment for Unitary Business Groups.

Use additional Schedules UB/INS if you have more than three foreign insurer members.

Step 1 is used to determine each foreign insurer member's share of the total tax liability and credits of the unitary business group.

Step 2 is used to report the income tax (or other tax based on net income) the state or country of domicile would impose on each foreign insurer member's Illinois net income.

Note This is figured by using the total of all tax measured by net income, less credits, imposed by the foreign insurer member's state or country of domicile, on an insurance company with base income (before apportionment) equal to the foreign insurer member's share of base income on Line 24 and net income (after apportionment) equal to the foreign insurer member's share of net income on Line 23.

Step 3 is used to figure your foreign insurer member's 1.75 (.0175) percent income tax reduction limit.

Step 4 is used to determine whether a foreign insurer member's liability can be reduced and, if so, the level to which the liability is reduced. This section determines the total liabilities and credits of all foreign members.

Steps 5 and 6 are used to determine all the domestic members' share of the total tax liability and credits of your unitary group. These amounts are added to your foreign insurer members' tax liabilities and credits to figure your unitary group's total tax liability and credits.

What must I attach to Schedule UB/INS?

For each foreign insurer member for whom you did not check the box on Line 25, you must attach a pro forma return from that member's state or country of domicile, showing the amount of tax that member would owe to that state or country on its share of your unitary group's Illinois net income.